

ACTION CALENDAR

RECYCLED WATER DISTRIBUTION SYSTEM OPERATIONS

SUMMARY:

The California Water Service Company (Cal Water) provides operation and maintenance for the West Basin Recycled Water System that includes approximately 70 miles of distribution pipeline. The current operations contract, that has a not-to-exceed annual contract amount of \$343,092, expires February 2006.

There are three components in the overall service provided by Cal Water:

- Basic Services (listed in Exhibit “A”)
- Emergency Services
- Additional Services (District requested services that are neither basic or emergency)

During fiscal year 2004-05, the total cost for Cal Water’s services was \$253,413.

Options Going Forward

With the contract expiring in five months, staff has identified the following contracting options going forward:

- Option A: Issue a “Request for Proposals” (RFP) for the operations and maintenance of the Recycled Water Distribution System; or
- Option B: Negotiate a contract extension with Cal Water.

Discussion

The current level of interest of other firms submitting proposals may or may not be present. Last year, staff issued an RFP for the operations and maintenance of the Recycled Water Distribution System for Central Basin. Nine firms received the RFP and in response three firms attended the pre-proposal meeting. However, in total only one (1) proposal was received, which was from the incumbent service provider.

Cal Water has a distinct geographical advantage over most firms and a greater interest in operating the District’s facilities that other firms may not have since many of the District’s recycled water pipelines cross into and out of Cal Water’s potable water service area. Cal Water has also proven to be extremely proficient in their operational services and customer service. They have been proactive in locating and connecting new customers to the recycled water system and have been responsive to all maintenance and emergency situations.

Based on Cal Water's excellent service record to the District and their valued partnership in recycled water usage endeavors, staff recommends Option B.

FISCAL IMPACTS:

Funds are available in the Operations and Maintenance Budget for fiscal year 2005-06.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Committee on September 12, 2005 and the Committee directed staff to negotiate a contract extension with Cal Water. This item was recommended for approval at the September 26, 2005 Board meeting

RECOMMENDED MOTION:

That the Board directs the Co-General Managers to negotiate a new operations and maintenance agreement with Cal Water and to present the terms for Board approval in October.

LIST OF EXHIBITS:

Exhibit "A" - Basic Services

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